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April 9, 2026

Office of the Attorney General  
State of Idaho  
700 W. Jefferson Street  
Boise, ID 83720

**Re: Request for Attorney General Review — Material Changes to Voter-Approved Revenue Bond, Misrepresentation of DEQ Authority, and Failure to Properly Administer Bond**

Dear Attorney General,

I am submitting this complaint in my capacity as an elected member of the Bellevue City Council. I respectfully request your office's review of the City of Bellevue's administration of the voter-approved Water Revenue Bond and the City's representations regarding its legal authority to alter the bond-funded project.

Based on the documents presented to the City Council, the statements made by City officials, and the structure of the approval process, I believe the City has taken actions that seeks to materially changed the voter-approved bond without legal authority, misrepresented the authority of the Idaho Department of Environmental Quality (DEQ), and deprived both the City Council and Bellevue voters of the due process required under Idaho law.

Because several of the exhibits referenced in this complaint are too large to transmit by email, all exhibits have been made available on a dedicated public Exhibits Page on the resident-led Bellevue Transparency Portal (<https://www.bellevuematters.com/WaterBondExhibits>). This page contains the full set of governing documents, Facility Plans, ACAS materials, meeting packets, and other records cited throughout this complaint.

**I. Summary of the Issue**

The core issue in this complaint is that the City of Bellevue is attempting to circumvent Idaho bond law by changing the Drinking Water Facility Plan while refusing to acknowledge both that the Facility Plan is legally tied to the voter-approved Water Revenue Bond and that the changes are material. The bond ordinance expressly incorporates the Facility Plan by

reference, and the ballot language lists the Facility Plan’s Alternative 1 projects as the improvements voters approved and agreed to fund.

Despite this, the City repeatedly presented the updated Facility Plan — at the March 23, 2026 meeting and again in the published agenda for the upcoming April 13, 2026 meeting (“Water Project Update and Final Facility Plan Approval: ACTION ITEM”) — as though the Facility Plan were a stand-alone procedural item rather than the project definition tied to the voter-approved bond, even though the updated plan contains material changes and was being advanced for approval so it could be transmitted to DEQ to initiate the funding process. The City’s agenda materials, staff presentations, and public statements intentionally separate the Facility Plan from the bond, omitting any reference to the bond ordinance, ballot language, or the legal requirements governing material changes to a voter-approved revenue bond. Residents have been completely excluded from this process, and there was significant pressure on the City Council to approve Resolution 26-11 at the March 23, 2026 meeting so DEQ could proceed with funding agreements based on the 2024 Bellevue Water Revenue Bond.

This separation conceals the fact that the updated Facility Plan removes two core components of the voter-approved project:

1. **There will no longer be a new spring collection system (SS-1).** This change was disclosed and justified — but the cost of SS-1 remained unchanged at \$1.16 million, despite the complete removal of the project.
2. **The project will no longer meet the significant DEQ compliance requirement for secure access to the spring system (LE-1).** This change was not disclosed. Since the new springs will not be constructed, there will be no land purchase — the largest cost component of LE-1. The City made no change to the cost of LE-1 and has refused to acknowledge that removing the land purchase eliminates the ACAS-required secure-access improvement.

These are material changes under Idaho law. They fundamentally alter what voters approved, what the bond ordinance authorizes, and what the City represented to the public.

Rather than acknowledge these changes as material and requiring voter attention, the City has:

- provided misleading materials to the City Council,
- omitted required bond documents from meeting packets,
- presented a resolution titled as though DEQ were authorizing the changes,

- provided an email from DEQ that does not grant approval but was presented as though it did,
- supported statements from the Mayor implying unilateral authority to approve changes,
- and refused to disclose to voters that the project no longer includes a new spring system or secure access.

The only reason these issues are even being debated is because I, as a Council member and resident, have repeatedly challenged the City’s narrative and demanded transparency. Without this pushback, the City would have proceeded with material changes to a voter-approved bond without legal authority, without voter approval, and without the due process required under Idaho law.

## II. Proof of Material Change

The ballot, the bond ordinance, and the City’s own public communications all represented the project to voters as an **IDEQ/ACAS Compliance Project** whose core purpose was to:

- **construct a new spring collection system, and**
- **secure legal access to the spring system to correct the ACAS deficiency.**

These components correspond directly to two specific projects in the Facility Plan’s Alternative 1:

- **SS-1 — New Spring Collection System**
- **LE-1 — Land Acquisition for Secure Access (ACAS compliance)**

These were the improvements voters approved and agreed to pay for. They are also the improvements that justified the project’s title: **IDEQ Compliance**.

The City’s own “What You Should Know About the Bellevue Water Bond” document (Exhibit J) repeatedly emphasizes:

- *“Without the improvements included in the proposed project, the City will not be able to comply with the actions required in the legally binding compliance agreement.”*
- *“The current condition of the spring collection system is deficient... and is beyond its useful design life.”*
- *“A portion of the project cost is dedicated to acquiring appropriate access through either ownership or easements to the springs and pipeline.”*

- *“The spring is the primary source of water supply for the community water system.”*

In addition, the City’s May 16, 2024 pre-election letter to residents (Exhibit K), **sent by the individual who served as Mayor at the time and who now serves as the City’s Public Works Director**, emphasized the same core components:

- *“The main objective of the water project is to improve the spring collection system...”*
- *“...move the collection line from private property to the county road with an access easement...”*
- *“All of this is to bring the water system back into compliance with DEQ...”*

The letter further described the spring system as:

- *“our primary source of water,”*
- *“gravity fed,”*
- and *“crucial for the City of Bellevue.”*

These statements confirm that the **new spring collection system (SS-1)** and **secure access (LE-1)** were presented to voters as essential to:

- DEQ compliance,
- long-term water supply reliability,
- and the legal ability to operate and maintain the spring system.

The updated Facility Plan removes both of these components while retaining their costs and labels, constituting a material change to the voter-approved project.

### **Material Change #1 — Removal of SS-1 (New Spring Collection System)**

The updated Facility Plan removes the entire new spring collection system. Although this removal was disclosed and justified, the City **kept the full \$1.16 million cost** of SS-1 despite eliminating the project entirely.

This is a material change because:

- the ballot explicitly promised a **new spring collection system**,
- the bond ordinance explicitly includes it,
- the City’s own public materials describe it as essential to ACAS compliance,
- and voters approved the bond on the basis that this system would be built.

## **Material Change #2 — Removal of LE-1 Land Purchase (Secure Access / ACAS Compliance)**

The updated Facility Plan removes the **land purchase** — the largest cost component of LE-1 — while keeping the full **\$1 million cost**. The original Facility Plan is explicit: *“This project is to purchase the land of the proposed new springs collection system.”* Land purchase and easements are not interchangeable. **Land ownership provides perpetual, exclusive control over critical water infrastructure, while an easement provides only limited, revocable permission to access another party’s property.** The original LE-1 project included both: acquisition of the land for the new spring system and permanent easements for the transmission line. By removing the land purchase for the springs entirely, the updated Facility Plan eliminates the ACAS-required secure-access improvement while retaining the full cost of LE-1 and without disclosing to the City Council or the public that the project no longer provides land ownership or secure access for the springs collection system.

## **Material Change #3 — Loss of IDEQ/ACAS Compliance (Project Title Itself)**

The project voters approved was titled **“IDEQ Compliance.”** The updated Facility Plan no longer meets IDEQ/ACAS compliance because:

- SS-1 is removed,
- LE-1 land purchase is removed,
- secure access is not provided,
- and the ACAS deficiency remains uncorrected.

This is a material change to the **purpose** of the bond.

## **III. Failure to Properly Administer the Voter-Approved Bond**

The City has a non-delegable duty to properly administer the voter-approved revenue bond. This includes:

- ensuring the project matches what voters approved,
- ensuring material changes receive legal review,
- ensuring bond counsel provides a written opinion,
- ensuring the governing body receives the legal framework necessary to determine its authority,
- ensuring voters are notified of material changes,

- ensuring compliance with the Revenue Bond Act and Idaho Constitution.

The City did not fulfill these duties.

The City Council was not provided:

- the bond ordinance,
- the ballot language,
- the original Facility Plan,
- the updated Facility Plan changes,
- the ACAS requirements,
- any legal analysis of materiality,
- any bond counsel opinion,
- any disclosure of removed components,
- any explanation of what residents would now receive.

The City Council was deprived of the information required to determine whether it had legal authority to approve the changes.

#### **IV. Misrepresentation of DEQ Authority**

The City repeatedly represented DEQ as the approving authority for the changes. This included:

- a resolution titled as though DEQ were authorizing the changes,
- a memo from the Public Works Director stating “IDEQ has requested” Council approval,
- a statement by the Mayor asserting that “DEQ gave us an option to simply write a letter.”

These statements are inconsistent with the ACAS and Idaho law. DEQ cannot authorize changes to a voter-approved bond and cannot delegate such authority.

The ACAS contains **no provision** authorizing DEQ to approve or request changes to the Facility Plan or bond.

#### **V. Improper Attempt to Substitute Council Approval for Voter Approval**

The City presented a resolution to the City Council designed to create the appearance of legal authority for the Council to approve changes to the Facility Plan — and therefore the bond — without:

- legal review,
- bond counsel opinion,
- disclosure of removed components,
- disclosure of ACAS implications,
- disclosure of the impact on voters,
- voter notification,
- voter approval.

The City attempted to substitute Council approval for voter approval in a matter where Idaho law requires voter consent.

**Exhibit L (April 13, 2026 Meeting Packet)** further demonstrates the City’s inconsistent and misleading statements regarding legal review.

During the March 23, 2026 meeting, City staff and consultants repeatedly stated or implied that bond counsel had provided guidance regarding the updated Facility Plan, the nature of the changes and the City’s authority to approve it. However, buried on page 61 of the April 13 packet is a motion noting that **bond counsel has been unavailable for the three weeks between meetings and the agenda item is recommended to be postponed**, directly contradicting the City’s prior representations.

This continues to suggest that the City advanced a materially altered Facility Plan for approval **without appropriate bond counsel review**, while simultaneously suggesting to the Council that such review had occurred. This is a significant governance failure and further evidence that the City has not performed the bond administration process required under Idaho law.

## **VI. Failure to Provide the City Council With the Legal Framework Required to Determine Its Authority**

The City Council is the governing body responsible for administering the bond. However, the City withheld the legal framework necessary for the Council to determine whether it had authority to approve the changes.

The meeting packets provided to the Council did **not** include:

- the bond ordinance,
- the ballot language,
- the original Facility Plan,
- the updated Facility Plan changes,
- the ACAS requirements,
- any legal analysis,
- any bond counsel opinion.

The City Council was asked to approve changes to a voter-approved bond **without any of the documents required to determine its authority.**

This deprived both the Council and Bellevue voters of due process.

## **VII. Pattern of Improper Bond Administration: Attempt to Redefine the Voter-Approved Project Immediately After the Election**

The updated Facility Plan includes a new section titled “9.2 Selected Alternative,” which describes a September 9, 2024 City Council meeting in which the individual who was serving as Mayor at the time — and who now serves as the City’s Public Works Director — asked the City Council to consider adopting other Alternatives from the Facility Plan. This occurred *after* the bond election, even though the ballot and bond ordinance had already defined the project as Alternative 1 and voters had approved that specific Alternative.

Residents who attended the meeting were required to explain that the bond was legally tied to Alternative 1 as presented in the ballot and the Facility Plan, and that the City could not change the definition of the project after voter approval. The City Council was not provided with the legal framework governing bond administration and was unaware that it lacked authority to adopt a different Alternative. By presenting the Alternatives as though they were still open for selection, the City again set the stage for altering the voter-approved project without proper legal authority.

Section 9.2 therefore documents the first instance in which the City attempted to redefine the scope of the voter-approved bond. This attempt, combined with the City’s later efforts in 2026 to remove core components of Alternative 1, demonstrates a pattern of improper bond administration in which the City repeatedly sought to modify the voter-approved project outside the legal process required under Idaho law.

### VIII. Request for Attorney General Review

Given the seriousness of these issues, I respectfully request that your office review:

1. Whether the City of Bellevue materially changed the voter-approved revenue bond without legal authority.
2. Whether the City failed to properly administer the bond under Idaho law.
3. Whether the City misrepresented DEQ authority to the City Council and the public.
4. Whether the City attempted to substitute Council approval for voter approval.
5. Whether the City deprived voters and bond stakeholders of due process.
6. Whether the City's actions comply with the Revenue Bond Act, the Idaho Constitution, and the ACAS.

I am available to provide any additional documentation or clarification your office may require. Additional materials and information are also available on the resident-led transparency portal, [www.bellevuematters.com/WaterProjectGuide](http://www.bellevuematters.com/WaterProjectGuide).

Respectfully,

*Suzanne Wrede*

Council Member Suzanne Wrede  
City of Bellevue, Idaho

#### Exhibits

- **Exhibit A** — Bond Ordinance 2024-01
- **Exhibit B** — Ballot Language
- **Exhibit C** — Original Facility Plan (Dec 2023)
- **Exhibit D** — Updated Facility Plan (Mar 2026)
- **Exhibit E** — 2<sup>nd</sup> ACAS (Second DEQ Amended Compliance Agreement Schedule)
- **Exhibit F** — Resolution 26-11
- **Exhibit G** — Public Works Director Memo

- **Exhibit H** — Mayor’s Legal Authority Statement to City Council (page 19 of meeting transcript)
- **Exhibit I** — March 23, 2026 City Council Meeting Packet
- **Exhibit J** — *What You Should Know About the Bellevue Water Bond*
- **Exhibit K** — May 16, 2024 City Letter to Residents (“From the Mayor”)
- **Exhibit L** — April 13, 2026 City Council Meeting Packet
- **Exhibit M** – DEQ Email excerpt presented by the City as proof of DEQ delegation of legal authority for Facility Plan changes
- **Exhibit N** – Partial document submitted to City Council ostensibly to show all Facility Plan changes.
- **Exhibit O** – First DEQ ACAS March 2024